

Second-Party Opinion

Hawaiian Electric Company Inc. Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Hawaiian Electric Company Inc. Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Renewable Energy Generation and Battery Storage – is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy.



PROJECT EVALUATION / SELECTION Hawaiian Electric’s Treasury department, in consultation with internal experts and project management teams, will be responsible for determining eligible projects to be financed by the green bond proceeds. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Hawaiian Electric intends to deposit green bond proceeds into the Company’s general account and earmark an equal amount to the net proceeds for eligible projects. The Treasury department will establish and maintain a register to record the allocation of net proceeds to eligible projects. Pending allocation, proceeds will be held in cash or cash equivalents, and managed as per the Company’s Treasury Policy. This is in line with market practice.



REPORTING Hawaiian Electric will provide allocation and impact reporting on its public website on an annual basis. The reporting will include allocated and unallocated proceeds as well as a complete list of eligible projects. Where feasible, the report will include relevant qualitative and quantitative environmental performance metrics. Sustainalytics views the Issuer’s allocation and impact reporting as aligned with market practice.

| | |
|------------------------|-----------------------------|
| Evaluation date | May 5, 2020 |
| Issuer Location | Honolulu, HI, United States |

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Introduction

Hawaiian Electric Company, Inc. (“Hawaiian Electric”, or the “Company”) is a public utility company providing electric services in the U.S. State of Hawai‘i. The Company, along with Hawaii Electric Light and Maui Electric, are all subsidiaries of Hawaiian Electric Industries, Inc. (“HEI”), which services approximately 95 percent of Hawaii’s population. Headquartered in Hawaii, the utility companies operate five separate grids on the islands of Oahu, Hawaii, Maui, Lanai and Molokai.

Hawaiian Electric has developed the Hawaiian Electric Company Inc. Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that provide reliable and clean energy. The Framework defines eligibility criteria in the following area:

1. Renewable Energy Generation and Battery Storage:
 - a. Solar Farms
 - b. Battery Energy Storage Systems

Projected allocations for the 2020 green bond issuance are provided in Appendix 1.

Hawaiian Electric engaged Sustainalytics to review the Hawaiian Electric Company Inc. Green Bond Framework, dated May 1, 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (“GBP 2018”).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the ICMA Green Bond Principles 2018;
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.3, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Hawaiian Electric’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Hawaiian Electric representatives have confirmed (1) they understand it is the sole responsibility of Hawaiian Electric to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Hawaiian Electric.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Hawaiian Electric Company Inc. Green Bond Framework is available on Hawaiian Electric Company Inc.’s website at: https://www.hawaiianelectric.com/documents/clean_energy_hawaii/clean_energy_facts/hawaiian_electric_green_bond_project_framework.pdf.

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realized allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Hawaiian Electric has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Hawaiian Electric Company Inc. Green Bond Framework

Sustainalytics is of the opinion that the Hawaiian Electric Company Inc. Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of Hawaiian Electric's Green Bond Framework:

- Use of Proceeds:
 - The eligible category – Renewable Energy Generation and Battery Storage – is aligned with those recognized by the Green Bond Principles 2018. The Issuer's investments in solar energy and battery energy storage systems will contribute to renewable energy development, aiding in the decarbonization of the energy sector.
 - The Issuer has communicated to Sustainalytics that the proceeds from the green bond issue in 2020 will be used to refinance a photovoltaic farm.
- Project Evaluation and Selection:
 - Hawaiian Electric's Treasury team, in consultation with internal experts and project management teams, will be responsible for evaluation and selection of projects that meet the eligibility criteria.
 - The Company has established a lookback period of 24 months prior to the date of issuance
 - Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Green bond proceeds will be deposited into Hawaiian Electric's general account, with an amount equal to the net proceeds earmarked for eligible projects. The Company's Treasury department will track the allocation of an amount equal to the net proceeds through a register of green bond projects.
 - Pending allocation, the Company will invest the unallocated proceeds at its own discretion, in cash or cash equivalents, or to repay existing external short-term debt obligations as per the Company's Treasury Policy.
 - Sustainalytics considers this process to be aligned with market practice.
- Reporting:
 - The Company commits to publishing a consolidated allocation and impact report on its website. The allocation report will include a complete list of eligible projects financed by the green bond, a description of eligible programs, amounts allocated and remaining balance. The Company will report on impact via its website and, where feasible, will include qualitative and quantitative environmental performance indicators such as capacity of projects, megawatt hours (MWh) generated and Renewable Portfolio Standards ("RPS") percentage point contribution. This is in line with market practice.

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Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Hawaiian Electric Company Inc. Green Bond Framework aligns with the four core components of the GBP 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of Hawaiian Electric

Contribution of framework to Hawaiian Electric Company Inc.'s sustainability strategy

Sustainalytics is of the opinion that Hawaiian Electric and its parent company HEI demonstrate a strong commitment to sustainability as outlined HEI's Corporate Code of Conduct.⁴ Through the Corporate Code of Conduct, HEI commits to protecting the environment and aims to use energy and water resources more efficiently, reduce waste and overall GHG emissions, and build environmental awareness. In line with State renewable energy targets, Hawaiian Electric has committed to achieving the State's 100% Renewable Portfolio Standard ("RPS") requirement by 2045. In 2019, the Company increased its solar generation capacity by 21%, compared to 2018, installed 3,470 new residential solar systems, and achieved a consolidated RPS of 28%.⁵

As part of its sustainability strategy, Hawaiian Electric has developed several initiatives engaging the community to advance a sustainable future. Each year, the Company provides free energy information and online tools to the public, hosts or supports events and participates in service projects to preserve unique habitats.⁶ In 2019, the Company contributed approximately 12,000 volunteer hours, and 3,800 pounds of food donations. Among the highlighted initiatives are the Company's contribution to Hui o Ko'olaupoko's mission of protecting ocean health through ecosystem restoration and storm water management.

Sustainalytics is of the opinion that the Hawaiian Electric Company Inc. Green Bond Framework is aligned with the company's overall sustainability strategy and initiatives and that it will further the Company's actions on its key environmental priorities to provide reliable and clean energy.

Well positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are recognized by the GBP 2018 to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects include occupational health and safety, and land use change at the site of construction and related biodiversity impacts.

Hawaiian Electric has established a series of programs and policies to manage and mitigate potential risks. The Company's Health and Safety Manual sets forth safety rules, requirements, procedures and processes, and other important information to maintain a safe work environment for employees and contractors. Hawaiian Electric aims for zero incidents through various programs and safety practices, and measures the effectiveness of its programs by measuring Total Case Incident Rate⁷ ("TCIR") and Lost Time Rate⁸ ("LTR").⁹

In addition, Hawaiian Electric employs more than three dozen environmental professionals whose job is to ensure that employees and contractors understand and meet all applicable environmental laws, regulations and permitting requirements for air and water quality, noise control, hazardous waste and protected species to protect local habitats.¹⁰ In addition, the Company deploys an environmental review process to determine any "potential impacts from renewable energy projects, infrastructure developments and maintenance work that may affect sensitive habitats of Hawaii's native and endemic wildlife flora and fauna."¹¹

⁴ HEI, "Corporate Code of Conduct", (2020) at: <http://www.hei.com/Cache/IRCache/a7c7d9f1-9280-c84d-4afc-f3544a7174ca.PDF?O=PDF&T=&Y=&D=&FID=a7c7d9f1-9280-c84d-4afc-f3544a7174ca&iid=1031123>.

⁵ Hawaiian Electric, "2019-2020 Sustainability Report", at: <https://view.hawaiianelectric.com/2019-2020-sustainability-report/page/1>.

⁶ Hawaiian Electric, "Environmental Responsibility", at: <https://www.hawaiianelectric.com/about-us/our-vision-and-commitment/environmental-responsibility>.

⁷ TCIR is calculated by the number of Occupational Safety and Health Administration ("OSHA") recordable cases multiplied by 200,000 productive hours (i.e. 2,000 work-hours per year per employee multiplied by 100 employees) divided by the total number of productive hours for the year. At: <https://www.hawaiianelectric.com/about-us/key-performance-metrics/safety>.

⁸ The number of Lost Time cases (injury or illness which an employee is unable to work a full assigned work shift as a result of a work-related injury or illness), is multiplied by 200,000 productive hours (i.e. 2,000 work-hours per year per employee multiplied by 100 employees) divided by the total number of productive hours for the year in accordance with OSHA guidelines. At: <https://www.hawaiianelectric.com/about-us/key-performance-metrics/safety>.

⁹ Hawaiian Electric, "Key Performance Metrics: Safety", at: <https://www.hawaiianelectric.com/about-us/key-performance-metrics/safety>.

¹⁰ Hawaiian Electric, "2019-2020 Sustainability Report", at: <https://view.hawaiianelectric.com/2019-2020-sustainability-report/page/1>.

¹¹ *Ibid*.

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Based on these policies, standards and assessments, Sustainalytics is of the opinion that Hawaiian Electric has implemented sufficient measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category – Renewable Energy Generation and Battery Storage – is aligned with those recognized by the GBP 2018. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of increasing renewable energy generation

According to the International Energy Agency (“IEA”), annual global energy demand rose by 2.3% in 2018, with the United States, India and China accounting for nearly 70% of this global increase.¹² The Intergovernmental Panel on Climate Change (“IPCC”) ¹³ issued a report in 2018 outlining that as global energy demand rises due to population growth,¹⁴ a shift towards clean energy is vital to limiting temperature increases to well below 2°C. While renewable energy generation in the United States has experienced significant growth, it accounted for a total of only 11% of the country’s total energy supply mix in 2018.¹⁵ According to the Department of Energy’s National Renewable Energy Laboratory (“NREL”), by increasing renewable electricity generation from technologies that are presently available, there is capacity for 80% of the country’s electricity to be generated from renewable energy, including through wind and solar generation, by 2050.¹⁶

In 2008, the Hawai’i 2050 Task Force published the Hawai’i 2050 Sustainability Plan¹⁷ (the “Sustainability Plan”) as a roadmap for development which combined economic, community and environmental goals for the long-term future of the State. The Sustainability Plan recommended an increase of renewable energy generation from 5% to 20% by 2020, given that Hawai’i was one of the most reliant states on fossil fuels for power generation at the time of publication. In 2015, the state set more ambitious targets to meet 30% of its electricity needs from renewable energy by 2020, 40% by 2030, and 100% by 2045.^{18,19} A report by the Public Utilities Commission in 2018 noted that the state was well on track to achieve its 2020 and 2030 targets while some uncertainties remain in reaching the 2045 target due to the long time frame and uncertainty regarding the amount of growth in electricity demand.²⁰

Sustainalytics believes that the use of proceeds from Hawaiian Electric green bonds will have a positive impact increasing the share of renewable energy generation in Hawaii and advancing the State’s Sustainability Plan to reach its renewable energy targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (“SDGs”) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goal and target:

| Use of Proceeds Category | SDG | SDG target |
|--------------------------|-------------------------|--|
| Renewable Energy | 7. Affordable and Clean | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix |

¹² IEA, “Global energy demand rose by 2.3% in 2018, its fastest pace in the last decade”, (2019) at:

<https://www.iea.org/newsroom/news/2019/march/global-energy-demand-rose-by-23-in-2018-its-fastest-pace-in-the-last-decade.html>

¹³ IPCC, “Global Warming of 1.5°C”, at: <https://www.ipcc.ch/sr15/>.

¹⁴ OECD, “Green Growth Studies, Energy”, at: <https://www.oecd.org/greengrowth/greening-energy/49157219.pdf>.

¹⁵ EIA, “U.S. renewable electricity generation has doubled since 2008”, at: <https://www.eia.gov/todayinenergy/detail.php?id=38752>.

¹⁶ NREL, “Renewable Electricity Futures Study”, (2012), at: <https://www.nrel.gov/docs/fy13osti/52409-ES.pdf>.

¹⁷ State of Hawai’i, “Hawai’i 2050 Sustainability Plan”, at: http://files.hawaii.gov/dbedt/op/sustainability/hawaii_2050_plan_final.pdf.

¹⁸ Governor of the State of Hawai’i, “Press Release: Governor Ige Signs Bill Setting 100 Percent Renewable Energy Goal in Power Sector”, (2015), at: <https://governor.hawaii.gov/newsroom/press-release-governor-ige-signs-bill-setting-100-percent-renewable-energy-goal-in-power-sector/>.

¹⁹ State of Hawai’i, “Hawai’i 2050 Sustainability Plan - Ten Year Measurement Update”, (2018) at:

http://files.hawaii.gov/dbedt/op/sustainability/2018_hawaii_2050_measurement_update.pdf.

²⁰ State of Hawaii Public Utilities Commission, “Report to the 2019 Legislature on Hawaii’s Renewable Portfolio Standards”, (2018) at: https://puc.hawaii.gov/wp-content/uploads/2018/12/RPS-2018-Legislative-Report_FINAL.pdf.

Conclusion

Hawaiian Electric has developed the Hawaiian Electric Company Inc. Green Bond Framework under which it will issue green bonds and use of the proceeds to finance and/or refinance eligible renewable energy projects that are expected to deliver positive environmental outcomes. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impact.

The Hawaiian Electric Company Inc. Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Hawaiian Electric Company Inc. Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceed category will contribute to the advancement of the UN Sustainable Development Goals 7: Affordable and Clean Energy. Additionally, Sustainalytics is of the opinion that Hawaiian Electric has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Hawaiian Electric Company Inc. is well-positioned to issue green bonds and that the Hawaiian Electric Company Inc. Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Projected allocations for the 2020 green bond issuance

| Project | Description | Cost (USD) | Status |
|----------------------|--|---|-----------------------------|
| West Loch PV Project | The West Loch PV Project involved the construction, installation, and operation of a 20 MW grid-tied, as-available, renewable PV generation system. Located on approximately 102 acres of Navy property near Pearl Harbor on the island of Oahu. | \$51.4 million as of December 31, 2019. ²¹ | Completed in November 2019. |

²¹ Costs subject to change, as costs will continue to come in or credits applied through 2020.

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

| | |
|--|---|
| Issuer name: | Hawaiian Electric Company Inc. |
| Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i> | Hawaiian Electric Company Inc. Green Bond Framework |
| Review provider's name: | Sustainalytics |
| Completion date of this form: | May 5, 2020 |
| Publication date of review publication: | |

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds – Renewable Energy Generation and Battery Storage – is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Hawaiian Electric's Treasury department, in consultation with internal experts and project management teams, will be responsible for determining eligible projects to be financed by the green bond proceeds. Sustainalytics considers the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

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- | | |
|--|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Hawaiian Electric intends to deposit green bond proceeds into the Company's general account and earmark an equal amount to the net proceeds for eligible projects. The Treasury department will establish and maintain a register to record the allocation of net proceeds to eligible projects. Pending allocation, proceeds will be held in cash or cash equivalents, and managed as per the Company's Treasury Policy. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Hawaiian Electric will provide allocation and impact reporting on its public website on an annual basis. The reporting will include allocated and unallocated proceeds as well as a complete list of eligible projects. Where feasible, the report will include relevant qualitative and quantitative environmental performance metrics. Sustainalytics views the Issuer's allocation and impact reporting as aligned with market practice.

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Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
- Other (please specify):

Frequency:

- Annual
 Semi-annual
- Other (please specify): List of eligible projects to which green bond proceeds have been allocated

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Frequency:

- Annual
 Semi-annual
- Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (please specify): Capacity of projects and RPS percentage point contribution

Means of Disclosure

- Information published in financial report
 Information published in sustainability report

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- Information published in ad hoc documents Other (please specify): Information published in a section of the Company's website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.hawaiianelectric.com>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include

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a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For over 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in the policies, practices and capital projects. With 16 offices globally, Sustainalytics has more than 600 staff members, including over 200 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.

